

ground zero, but there are those of us who feel we are getting a few of the after-shocks.

Mr. INSLEE. Mr. Speaker, I yield to the gentleman from California (Mr. SHERMAN).

Mr. SHERMAN. I would like to pick up on the gentleman from New Jersey's comment about this really ludicrous idea put forward by the President that his tax cut bill is a solution to the gouging of prices that we face in California, both for gasoline and electricity.

First, the idea of giving people their tax money back so they can give it to the energy and oil companies, that strikes me as so inefficient. Why does he not have the courage of his convictions and simply ask the American taxpayer to send the money directly from the Federal Treasury to the oil companies? As the gentleman from New Jersey (Mr. PALLONE) pointed out, a portion of that money to the oil companies will go to the Republican Party, so you can send a portion of the surplus to the Republican Party and the bulk to the energy companies.

The second thing to point out is as working Californians are paying \$2.10 for regular gasoline, as they are paying double and triple the electric bills, if you say a single mother in California with a couple of kids, an income of \$20,000, how much money does she get out of this tax cut? Zero. So she still pays the \$2.10 a gallon. She still pays double or triple the electric bill, and she gets nothing from the tax cut.

Mr. INSLEE. Mr. Speaker, I appreciate the gentleman's comments. I was in a town hall meeting the other day, and I had a constituent that sort of suggested that it would have been simpler just to cut out the middleman of giving us any tax break at all when it goes right to the oil companies. He said it reminded him of a money laundering scheme. I do not think that is too far off the mark.

Mr. Speaker, I have a message for the rest of the United States, and that is it is not just California. And it is coming to you in your neighborhood, because it is in Oregon and it is in Washington now. It may have started in California, but right now in the State of Washington, we are suffering potentially 43,000 people losing their jobs, Mr. Speaker, as a result of these oil companies and generating companies increasing their prices, not twice, not 5 times, not 10 times, but on the wholesale spot market for electricity right now in the State of Washington, these companies have increased their price 1,000 percent, 2,000 percent, without spending another dime to generate one single electron. These are windfall profits that people are enjoying right now at our expense. Forty-three thousand families out of work because these folks have a callous indifference to the economy of Washington, Oregon, California and, soon, whatever State you are in. This is coming to you because they have figured out a way to game this system starting in the West.

Mr. Speaker, what we Democrats have proposed is a short-term solution. We need a long-term solution, but we have to have some short-term solution to this. Unfortunately, the President, what has he decided to do? What has his message been to America? Go fish. You are on your own. We do not have any short-term solution. We are not going to do anything.

Mr. Speaker, we have suggested a couple of things. Number one, that he call FERC, the Federal Energy Regulatory Commission, and he ask them to impose a 2-year cost-based pricing system for wholesale prices for the western grid of the United States. We are asking a simple thing: that the companies for the next 2 years get their costs and a reasonable degree of profit, and pick the highest degree of profit, it will still be half of what they are charging today.

When they have increased their prices 1,000 percent; like if you bought a car for \$30,000, it now costs you \$300,000 to \$600,000, if Detroit did the business the way that the generators are doing right now.

We are asking for a time-out on this ludicrous explosion of prices. People have said, will this not decrease the supply of electricity? Hogwash. If anything, it will increase it. These companies have figured out how to reduce supply and drive the price up. Fully one-third of all of the generating capacity in California in the last 4 months has been turned off, and they have driven these prices sky high.

Mr. Speaker, we have asked the administration for simple relief. They have refused it, and they give us no simple relief.

I want to say that there is good news in the long term and short term when it comes to conservation and efficiency. We should be optimistic. There are plenty of causes for this country to be as optimistic as we were when we decided to go to the Moon, and there were naysayers then too about new technology. But there is just as good news for us from a technological basis for wind, solar, new transmission, fuel cells, as there was for new technologies which took us to the Moon.

For example, in Seattle right now, there is a company called MagnaDrive. MagnaDrive is manufacturing a coupling device based upon, as you can guess, magnetism, which basically has two plates which act as a coupling for electric motors. This device can save 30 to 40 percent of the electricity to drive an electric motor. It is just starting to develop a market. We need to recognize technologies like MagnaDrive and recognize their potential. That is the good news.

The bad news is that some of these technologies are being developed not in America, because we have not given them the incentives for the development of these. For example, hybrid cars, electric gasoline-powered cars. The one on the road right now is from Japan. Why should America give up

this market to the Japanese manufacturers? Why should we give up this potential development of jobs to those manufacturers?

Mr. Speaker, I think this Nation ought to be confident enough in our technological ability to say we are going to lead the Nation in new car technology. Yet in that very specific field, the President's budget has gone backwards. We ought to lead the Nation in efficiency and conservation. If we stand up to Mr. CHENEY's short-sighted statement that conservation is just a personal ethic but does not have anything to do with sound economic policy, he is dead wrong. Efficiency is a personal virtue, and it is an economic virtue, and it is a job-growth strategy that this country ought to use.

Mr. Speaker, that is why I am proud that the Democratic Party has come up with a comprehensive plan to combine conservation and short-term price mitigation. It is a short-term solution and a long-term solution, and I appreciate the gentleman from Oregon (Mr. BLUMENAUER) bringing us here tonight.

Mr. BLUMENAUER. Mr. Speaker, we also have been joined by the gentleman from Connecticut (Mr. LARSON), who has had lots of practical experience from a State that has dealt in the past with energy problems. I know that from leadership as the Senate president of the great State of Connecticut, he has had a chance to navigate these rocky shoals before, and I am honored that the gentleman joins us for this discussion.

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Mr. LARSON of Connecticut. I thank the gentleman and also recognize that the current Speaker also hails from the great State of Connecticut and is doing an outstanding job.

I want to applaud the gentleman from Oregon for his leadership in every aspect here in the Congress as relates to our environment most notably, as was pointed out by the gentleman from New Jersey (Mr. PALLONE), in the area of livable communities but also in recognizing the need to make sure that a core component of any energy plan has got to be conservation, that overall the number of examples that he put forward, if followed, should serve as the cornerstone to any policy moving forward.

I also join with my colleagues from California and the Northwest as well and not only sympathize but empathize with the problems that they currently face and understand that today it may be California but tomorrow it could be Connecticut. And so as a Nation, we must pull together and make sure that we are enacting sound public policy.

The fact of the matter is that there are a lot of fingers that could be pointed and a lot of blame that could be distributed, but for a number of years, several different White Houses and Congresses have not addressed this issue the way that it should be tackled. I believe that first and foremost and

piggybacking on the comments of the gentleman from Washington (Mr. INSLEE), that we need to lay out a strategy that has an end goal.

I suggest that we start that end goal by saying we will be independent of foreign oil resources within a 10-year period and that we should instruct the Department of Energy to devise a strategic plan that will take us there. The process of attaining that goal is much like establishing putting a man on the Moon as the gentleman from Washington (Mr. INSLEE) was alluding to.

When you establish a goal for yourself and then set out to achieve that goal, you can accomplish great things. It seems to me pretty clear that along with conservation, along with renewable resources and assorted other policies that we must pursue, we must above all else have a specific goal. When you consider that in 1999 the cost of importing oil from abroad was \$60 billion and now that is estimated to be something closer to \$100 billion in cost, that money could be better spent at developing alternative energy sources. Specifically, I feel that the energy systems of the future and most notably fuel cells hold the key to provide us with both the power and efficiency we need to get 60 to 80 miles per gallon out of an SUV and also the by-product of which is vapor that is clean.

This kind of environmentally sound policy, this kind of energy alternative is exactly the kind of can-do spirit that took us to the Moon. And what got us to the Moon frankly were spacecraft that were powered by fuel cells. If we can go to the Moon and go on to Mars, certainly we can get to and from work. Later this month, I hope to bring an SUV to the Capitol and encourage everyone to drive that automobile powered by fuel cells to see its efficiency, to see how this actually works and the cutting edge technology, which in combination with conservation is the path for us to go down.

I applaud my Democratic colleagues for the initiative they took in the press conference the other day. These are the concerns that the American people long for us to address. We need bipartisan cooperation. We do not need committees that meet in secret. We need to have an open, public forum and dialogue to produce the best possible results, with a common goal and common mission to make us no longer energy dependent and make us much more energy efficient with a conservation ethic that places us in a position where we can provide the kind of energy and means that the people we are sworn to serve richly deserve.

I thank the gentleman again so much for his leadership in this area and I look forward as always to working with him on his agenda of livable communities and the great, great job that he has done in terms of bringing conservation to the forefront here in the United States Congress.

Mr. BLUMENAUER. I appreciate the gentleman sharing his insights and his kind words.

I yield to the gentleman from New Jersey.

Mr. PALLONE. I wanted to briefly point out that although the comments I made earlier were primarily with regard to the President's proposal, President Bush and Vice President Cheney's proposals and what they are likely to come up with tomorrow from their task force in terms of a policy to address energy issues, that it is also true that for the last 6 years since the Republicans have been in the majority in this Congress, that they have conveniently forgotten, or failed really, to address what has now become an energy crisis.

And each year from 1995 on when President Clinton and the congressional Democrats tried to present commonsense, balanced, both immediate and long-term solutions to the energy problems that existed then and were continuing to build, the Republicans blocked those efforts in the Congress every step of the way. If I could just mention a few, I think the most egregious was in 1999, I remember, I was here, when the Republican leaders, the gentleman from Texas (Mr. ARMEY), the gentleman from Texas (Mr. DELAY) joined 36 other Republicans to introduce a bill that would have eliminated the Department of Energy altogether and the Strategic Petroleum Reserve.

As I mentioned, President Bush still says that he does not want to tap the Strategic Petroleum Reserve, but they would have abolished it completely. In the same year, the Republicans rejected an Energy Department proposal to buy 10 million barrels of oil when crude prices were only \$10 a barrel that would have allowed us to build up the SPR.

So they wanted to abolish it. They did not want to fill it. In addition to that, every year in those 6 years the President and congressional Democrats would propose budget initiatives that would help with energy efficiency and renewables. But between fiscal year 1996 and fiscal year 2001 the Republicans underfunded energy efficiency and renewable energy programs by \$1.4 billion below what President Clinton and congressional Democrats' funding requests were at the time.

We have seen essentially no effort to address conservation, no effort to address energy efficiency, alternative fuels, the list goes on. Next week in the Committee on Commerce which I sit on, we are going to have a full committee markup on a bill that is being brought by the congressional leadership in the Committee on Commerce, the Republican leadership in the Committee on Commerce called the Electricity Emergency Relief Act. This is sponsored by the gentleman from Texas (Mr. BARTON) who is the chairman of the Subcommittee on Energy and Power. This bill, I mean, needless to say, is fundamentally flawed. It is not going to address the problems in California; and I just wanted to point out, this is from my colleague the gen-

tleman from California (Mr. WAXMAN), who is a leading member, a more senior member of the Committee on Commerce, he cited four major flaws with the bill. Keep in mind this is the Republican answer to the California energy crisis.

First, it fails to address runaway wholesale electricity prices. The efforts by the gentleman from California (Mr. WAXMAN) of the Committee on Commerce, then in the subcommittee, next week in the full committee, to impose some sort of cap as the Democrats would like to see on wholesale electricity prices is not included in the bill. The bill, the Republican bill, also interferes with California's actions to address the electricity crisis. It increases the State's dependence on the spot market. It inhibits the State's ability to acquire and operate transmission lines in California. It conflicts with California's innovative demand reduction programs. So it is actually hurting the State, making it difficult for the State to actually do what the State wants to do to improve the electricity situation.

It also, and I note that my colleague from Oregon has repeatedly noted the effort to break down environmental laws, this bill creates loopholes in the Nation's environmental laws. It opens up every national park and wilderness area to the construction of new power lines. It allows States to waive environmental requirements applicable to hydro-power projects. It authorizes extensive waivers of the Clean Air Act requirements for electricity generation. And lastly, of course, the bill fails to adequately address conservation.

I know that my colleague, the gentleman from Oregon (Mr. BLUMENAUER), has repeatedly said how there has to be a conservation component in our energy policy. The Democrats have that. The Republicans do not. This bill does nothing to improve it. Tomorrow we are going to hear about the Bush-Cheney report and how great that is going to be. Next week we are going to hear about the Barton bill and how great that is going to be to solve the California problem. Neither one solves any of those problems. Unfortunately we continue to have Republican inaction.

Mr. BLUMENAUER. Mr. Speaker, I yield to the gentleman from California.

Mr. SHERMAN. The Vice President made some remarks recently that have become rather famous. He said conservation might be a personal virtue but it was not the basis, not a sufficient basis, for a national energy policy. I think we can only respond that degrading the environment and maximizing energy company prices might be good cash generation politics, but it is not the basis, not the sufficient basis, for a comprehensive energy policy.

I want to talk a little bit about how California is being hurt because we do not have rate regulation on the wholesale generation of electricity. Technically what is being called for is not